

E-File: 4-13-09

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 Debtors in Possession

## UNITED STATES BANKRUPTCY COURT

## DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka  
 "Rhodes Homes, et al.,<sup>1</sup>

Debtors.

Case No.: BK-S-09-14814-LBR  
 (Jointly Administered)

Chapter 11

<sup>1</sup> The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

Affects:



All Debtors



Affects the following Debtor(s)

**NOTICE OF ENTRY OF ORDER**

**TO: ALL INTERESTED PARTIES:**

YOU ARE HEREBY NOTICED that an *Order Granting Debtors' Motion Pursuant to Bankruptcy Code Sections 105(a), 363, and 507(a) for an Order Authorizing the Debtors to (I) Pay Prepetition Wages, Salaries, Employee Benefits, and Other Compensation; (II) Remit Withholding Obligations; (III) Maintain Employee Compensation and Benefits* was entered on April 10, 2009. A copy of the Order is attached hereto.

**DATED** this 13th day of April, 2009.

**LARSON & STEPHENS**

/s/ Zachariah Larson, Esq.

Zachariah Larson, Bar No. 7787

Kyle O. Stephens, Bar No. 7928

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Entered on Docket  
April 10, 2009

Hon. Linda B. Riegler  
United States Bankruptcy Judge

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[Proposed] Attorneys for Debtors and  
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

In re  
THE RHODES COMPANIES, LLC, aka "Rhodes  
Homes", et al.,<sup>1</sup>

Debtors.

Case No. 09-14814-LBR  
(Jointly Administered)

Chapter 11

DATE: 4-8-2009  
TIME: 3:00 PM  
Courtroom No. 1

<sup>1</sup> The Debtors in these cases, along with their case numbers are: Apache Framing, LLC (Case No. 09-14818); Batcave, LP (Case No. 09-14861); Bravo, Inc. (Case No. 09-14825); C & J Holdings, Inc. (Case No. 09-14843); Chalkline, LP (Case No. 09-14862); Elkhorn Investments, Inc. (Case No. 09-14837); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Geronimo Plumbing LLC (Case No. 09-14820); Glynda, LP (Case No. 09-14865); Gung-Ho Concrete LLC (Case No. 09-14822); Heritage Land Company, LLC (Case No. 09-14778); Jackknife, LP (Case No. 09-14860); Jarupa, LLC (Case No. 09-14839); Overflow, LP (Case No. 09-14856); Parcel 20, LLC (Case No. 09-14848); Pinnacle Grading, LLC (Case No. 09-14887); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Rhodes Design and Development Corporation (Case No. 09-14846); Rhodes

1 Affects:



All Debtors

Affects the following Debtor(s):

3  
4 **ORDER GRANTING DEBTORS' MOTION PURSUANT TO BANKRUPTCY CODE**  
5 **SECTIONS 105(a), 363, AND 507(a) FOR AN ORDER AUTHORIZING THE DEBTORS TO**  
6 **(I) PAY PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER**  
7 **COMPENSATION; (II) REMIT WITHHOLDING OBLIGATIONS; (III) MAINTAIN**  
8 **EMPLOYEE COMPENSATION AND BENEFITS**

9 Upon consideration of the motion ("Motion") of the above-captioned debtors and  
10 debtors in possession (the "Debtors") in the above-captioned chapter 11 cases for the entry of an  
11 order (the "Order"), pursuant to sections 105(a), 363, and 507(a) of Title 11 of the United States  
12 Code (the "Bankruptcy Code"), to authorize, but not require, the Debtors (i) to pay prepetition  
13 wages, salaries, employee benefits, and other compensation; (ii) to remit withholding obligations;  
14 (iii) to maintain employee compensation and benefits programs and pay related administrative  
15 obligations; and (iv) to authorize and direct applicable banks and other financial institutions receive,  
16 process, honor, and pay certain checks presented for payment and honor certain fund transfer  
17 requests; and it appearing that the relief requested is in the best interest of the Debtors' estates, their  
18 creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this  
19 matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core  
20 proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M), and (O); and it appearing that the  
21 requirements of Rule 6003 of the Federal Rules of Bankruptcy Procedure have been satisfied; and  
22 due and adequate notice of the Motion having been given under the circumstances; and after due  
23 deliberation and cause appearing therefore; it is hereby:

24  
25  
26 Ranch General Partnership (Case No. 09-14844); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Rhodes  
27 Realty, Inc. (Case No. 09-14841); The Rhodes Companies, LLC (Case No. 09-14814); Six Feathers Holdings, LLC  
28 (Case No. 09-14833); Tick, LP (Case No. 09-14866); Tribes Holdings, LLC (Case No. 09-14817); Tuscany  
Acquisitions, LLC (Case No. 09-14853); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions III,  
LLC (Case No. 09-14850); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Golf Country Club, LLC  
(Case No. 09-14884) and Wallboard, LP (Case No. 09-14858)

1 ORDERED that the Motion is GRANTED<sup>2</sup> except as to the granting of administrative  
2 claim status to post-petition Intercompany Transfers, which portion of the Motion shall be continued  
3 to the hearing on April 17, 2009 at 9:30 a.m.; and it is further  
4

5 ORDERED that the Debtors are authorized, but not directed, to pay and/or honor the  
6 Employee Wages and Benefits, in accordance with the Debtors' stated policies and in the ordinary  
7 course of the Debtors' business, including, but not limited to, amounts due on account of unpaid  
8 Wages and Benefits, including the Wages, Commissions and General Reimbursement Obligations,  
9 to honor, but not pay, prepetition PTO claims, and to pay all costs associated with the foregoing,  
10 with respect to Employees as set forth in the Motion, and it is further  
11

12 ORDERED that, subject to the foregoing provision, the Debtors are authorized, but  
13 not directed, in their sole discretion, to continue to implement, pay and/or honor (as applicable) any  
14 or all of the Wages and Benefits on a postpetition basis;  
15

16 ORDERED that the Debtors are authorized, but not directed, to make payments to  
17 applicable third parties from Withholding Obligations and in respect of the Employee Benefits, and  
18 costs associated therewith, in accordance with the Debtors' ordinary course of business and stated  
19 policies, as set forth in the Motion; and it is further  
20

21 ORDERED that in accordance with this Order and any other order of this Court, the  
22 banks and financial institutions at which the Debtors maintain their accounts are authorized to  
23 receive, process, honor, and pay all checks presented for payment and to honor all fund transfer  
24 requests made by the Debtors to Employees, and by the Debtors to third parties on account of the  
25 Withholding Obligations or Benefits, whether such checks were presented or fund transfer requests  
26 were submitted prior to, on, or after the Petition Date; and it is further  
27  
28

<sup>2</sup> All capitalized terms not otherwise defined herein are defined in accordance with their usage in the Motion.

1 ORDERED that the Debtors are authorized to pay all processing and administrative  
2 fees associated with payment of the Employee Wages and Benefits; and it is further

3 ORDERED that no payments to any Employee for prepetition Wages and  
4 Commissions will collectively exceed the \$10,950 cap per Employee provided under section  
5 507(a)(4) and 507(a)(5) of the Bankruptcy Code; and it is further

6 ORDERED that no Wages or Benefits shall be paid pursuant to this Order to any  
7 person not currently employed by the Debtors; and it is further

8 ORDERED that payments made pursuant to this Order shall only be made in respect  
9 of services actually provided to the Debtors and no amounts shall be paid on account of any services  
10 provided to any non-Debtor affiliates of any Debtor.

11 ORDERED that no insider as defined in section 101(31)(B) shall receive any  
12 prepetition Wages pursuant to this Order; and it is further

13 ORDERED that any compensation for post-petition Wages for James M. Rhodes or  
14 any of his relatives shall be made by separate application of the Debtors by way of motion for insider  
15 compensation;

16 ORDERED that the Debtors are authorized and empowered to take all actions  
17 necessary to implement the relief granted in this Order; and it is further

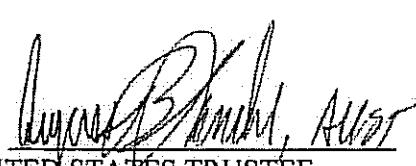
18 ORDERED that notwithstanding anything to the contrary contained herein, any  
19 payment to be made or authorization contained hereunder shall not be deemed to constitute  
20 postpetition assumption or adoption of any contract, program, or policy pursuant to section 365 of  
21 the Bankruptcy Code and shall not affect the Debtors' right to contest the amount or validity of  
22 claims; and it is further  
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1 ORDERED that this Court shall retain jurisdiction to hear and determine all matters  
2 arising from the implementation of this Order.

3 Dated: \_\_\_\_\_, 2009.

4 APPROVED AS TO FORM AND CONTENT:

5  
6 By: /s/Brett Axelrod  
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9 *Counsel for Sagebrush Enterprises Inc.*

By:   
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22 Submitted by:

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